

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE TAYLOR COUNTY)
RURAL ELECTRIC COOPERATIVE CORPOR-)
ATION TO BORROW AN ADDITIONAL SUM)
OF \$1,323,000 FROM THE UNITED STATES)
OF AMERICA AND TO EXECUTE A NOTE FOR)
SAID AMOUNT AND TO CONCURRENTLY BOR-)
ROW FROM THE LOUISVILLE BANK FOR)
COOPERATIVES THE SUM OF \$567,000)
AND TO EXECUTE ITS NOTE THEREFOR TO)
BE SECURED BY AN EXISTING COMMON)
MORTGAGE HERETOFORE EXECUTED AND)
FOR A CERTIFICATE OF CONVENIENCE AND)
NECESSITY AUTHORIZING IT TO CON-)
STRUCT AND MAKE ADDITIONAL IMPROVE-)
MENTS AND EXTENSIONS TO ITS EXISTING)
SYSTEM)

CASE NO. 8362

O R D E R

Taylor County Rural Electric Cooperative Corporation ("Taylor County") filed its application on October 6, 1981, for a certificate of convenience and necessity and for authorization to borrow \$1,323,000 from the United States of America Rural Electrification Administration ("REA") and \$567,000 from the Louisville Bank for Cooperatives ("LBC"), and to execute its notes as security therefor. The funds acquired by these borrowings are to be used to make system improvements and to extend service to new customers. These improvements and additions, which are estimated to cost \$1,890,000, are more specifically described in the application and record.

A hearing was held on October 28, 1981, in the offices of the Public Service Commission at Frankfort, Kentucky. All

parties of interest were allowed to be heard. There were no intervenors.

The Public Service Commission, after consideration of the application and all evidence of record, and being advised, is of the opinion and finds that:

1. The public convenience and necessity require that such construction as is proposed in the application and record be performed, and that a certificate of convenience and necessity be granted.

2. The proposed borrowings are for lawful objects within the corporate purposes of the utility, are necessary and appropriate for and consistent with the proper performance by the utility of its service to the public, will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that Taylor County be and it is hereby granted a certificate of public convenience and necessity to proceed with the construction as set forth in the application and record.

IT IS FURTHER ORDERED that Taylor County be and it is hereby authorized to borrow a sum in the principal amount of \$1,323,000 from REA at the rate of 5 percent per annum over a 35-year period with payment of principal deferred for 3 years.

IT IS FURTHER ORDERED that Taylor County be and it is hereby authorized to borrow a sum in the principal amount of

\$567,000 from LBC at a variable interest rate adjusted monthly,
over a period of 20 years.

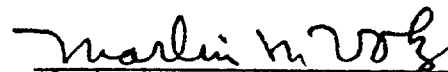
IT IS FURTHER ORDERED that Taylor County be and it is
hereby authorized to execute its notes as security for the loans
authorized herein.

IT IS FURTHER ORDERED that the proceeds from the proposed
borrowings shall be used only for the lawful purposes as set out
in the application and record.

Nothing herein contained shall be deemed a warranty or
finding of value of securities or financing authorized herein on
the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 11th day of November 1981.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary